

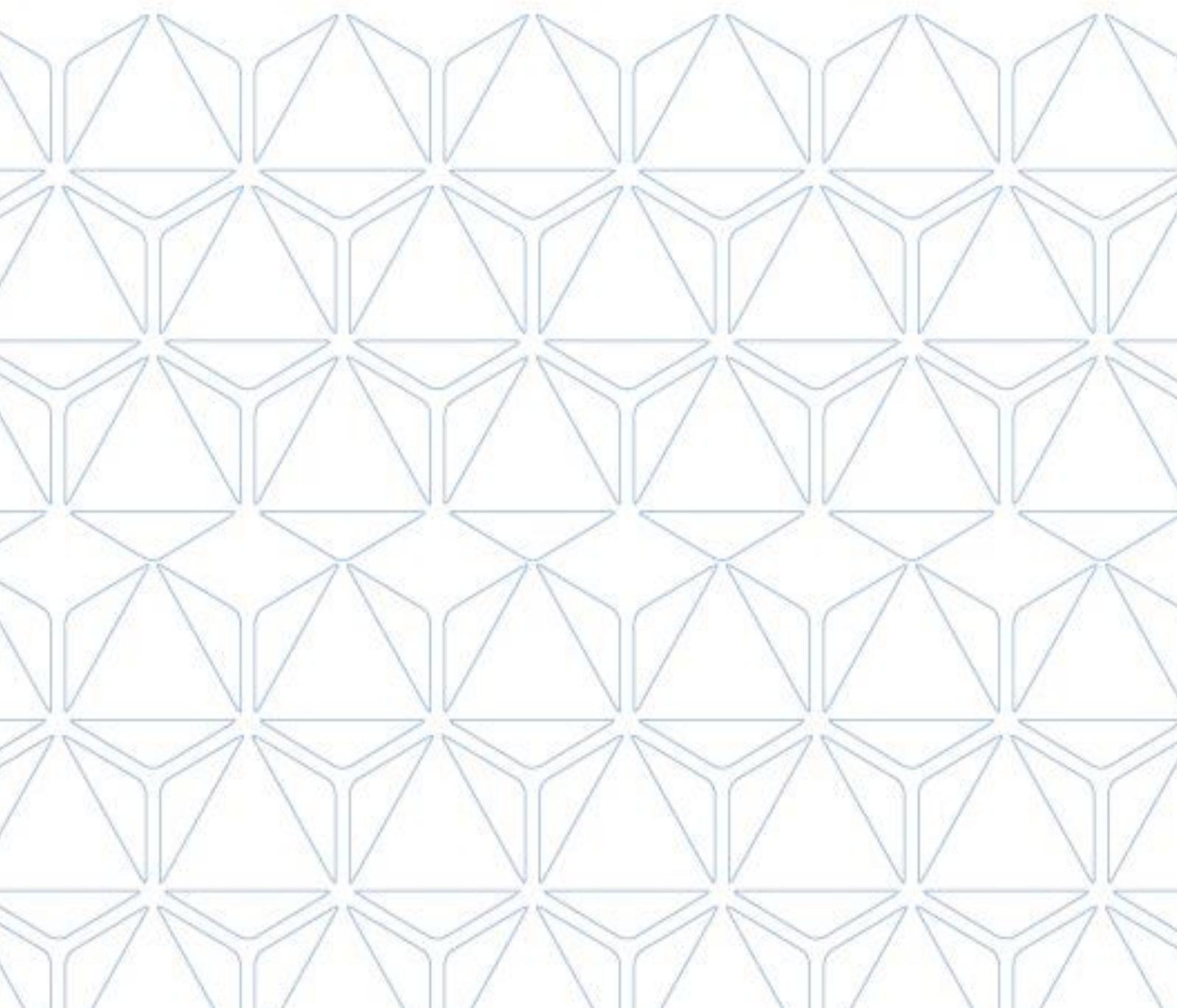
# Stewardship Code and Shareholder Engagement Disclosure Statement



Smart Investment Management Limited  
FRN: 627829

August 2021

For professional advisers only



# Background

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Smart Investment Management (“SIM”) provides discretionary investment management services to professional clients only.

## Stewardship Code

Under the FCA’s Conduct of Business Sourcebook rule 2.2.3R we are required to make a public disclosure in relation to the nature of our commitment to the UK Financial Reporting Council’s Stewardship Code (“the Code”). The Code was published by the FRC, the United Kingdom’s independent regulator responsible for promoting high quality corporate governance and reporting in order to foster investment. The Code sets out a number of principles directed at asset owners and asset managers with equity holdings in UK-listed companies and aims to enhance the quality of engagement between institutional investors and companies they invest in.

SIM is required to include on this website a disclosure about the nature of its commitment to the UK Financial Reporting Council’s Stewardship Code (the “Code”) or, where it does not commit to the Code, its alternative investment strategy.

## Shareholder Engagement

Under the FCA’s Conduct of Business Sourcebook rule 2.2B.5R, we are required to disclose on a website either:

- an Engagement Policy describing how it conducts and monitors shareholder engagement on behalf of its investee companies, and an annual update on how this policy has been implemented; or
- a clear and reasoned explanation of why it has chosen not to comply with these requirements.

The new rules seek to improve transparency by enhancing the flow of information across the institutional investment community, and by promoting common stewardship objectives between institutional investors and asset managers.

# Stewardship Code - The Principles

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## Principle 1

Signatories' purpose, investment beliefs, strategy and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

## Principle 2

Signatories' governance, resources and incentives support stewardship.

## Principle 3

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

## Principle 4

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

## Principle 5

Signatories review their policies, assure their processes and assess the effectiveness of their activities.

## Principle 6

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

## Principle 7

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfill their responsibilities.

## Principle 8

Signatories monitor and hold to account managers and/or service providers.

## Principle 9

Signatories engage with issuers to maintain or enhance the value of assets.

## Principle 10

Signatories, where necessary, participate in collaborative engagement to influence issuers.

## Principle 11

Signatories, where necessary, escalate stewardship activities to influence issuers.

## Principle 12

Signatories actively exercise their rights and responsibilities.

# SIM's approach to the Code

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The aims of the Code are less relevant to SIM's investment strategy, which is to invest in collective investment schemes (such as Unit Trusts, Open Ended Investment Companies and Exchange Traded Funds) run by external investment managers. A very small proportion of SIM's activity is in relation to trading direct single equities and when this does occur the amounts are very small and the proportion of any shareholding within the company is negligible.

Consequently, while SIM supports the general objectives and aims of the Code, the provisions of the Code are not relevant to the type of trading currently undertaken by SIM. If SIM's investment strategy changes in such a manner that the provisions of the Code become relevant, this disclosure will be amended accordingly.

We will review this statement on an annual basis, and update where necessary to reflect changes in actual practice. Should you require further information on the firm's approach to the Code please contact us at: [compliance@praemium.com](mailto:compliance@praemium.com).

# SIM's approach to Shareholder engagement

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SIM supports the FCA's desire to increase information and transparency for investors, however, SIM's investment strategy, is to invest in collective investment schemes (such as Unit Trusts, Open Ended Investment Companies and Exchange Traded Funds) run by external investment managers.

A very small proportion of SIM's activity is in relation to trading direct single equities and when this does occur the amounts are very small and the proportion of any shareholding within the company is negligible.

SIM does not believe that an annual update on its shareholder engagement policy is appropriate or necessary for its clients.